

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY
STATE OF MICHIGAN

FINANCIAL REPORT
WITH SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

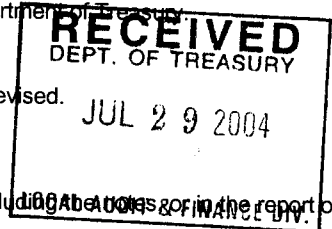
Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Millington	County Tuscola
Audit Date 3/31/04	Opinion Date 5/6/04	Date Accountant Report Submitted to State: 7/12/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes or in the report of comments and recommendations



You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). *see note 8*
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.		✓	
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Quast, Janke & Co., CPA's, P.C.			
Street Address 1010 N Johnson		City Bay City	State MI
Accountant Signature <i>[Signature]</i>		ZIP 48708	Date 7/27/04

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Quast, Janke and Company, P.C.
Certified Public Accountants

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REPORT LETTER

May 6, 2004

To The Township Board
The Township of Millington
Tuscola County
Millington, Michigan 48746

We have audited the accompanying financial statements of the Government Activities, each major fund, and the aggregate remaining fund information of the Township of Millington as of and for the year ended March 31, 2004, which collectively comprise the Township's financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Millington's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with United States generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

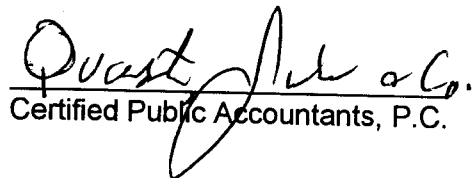
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Government Activities, each major fund, and aggregate remaining fund information of the Township of Millington as of March 31, 2004, and the respective changes in financial position for the year then ended in conformity with United States generally accepted accounting principles.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of the GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of April 1, 2003.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 24 through 27 are not a required part of the basic financial statements but are supplemental information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Millington's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and are not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

QUAST, JANKE AND COMPANY


Certified Public Accountants, P.C.

TOWNSHIP OF MILLINGTON

Management's Discussion and Analysis

This section of Township of Millington's Annual Financial Report presents our discussion and analysis of the Township's financial performance during the year ended March 31, 2004. Please read it in conjunction with the Township's financial statements, which immediately follows this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Township of Millington financially as a whole. The Government-Wide Financial Statements provide information about the activities of the Township of Millington, presenting both an aggregate view of the Township's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds – the General Fund, Fire Protection Fund, Police Fund, Refuse Collection Fund and Building Fund with all other funds presented in one column as nonmajor funds. The remaining statement, the statement of fiduciary net assets, presents financial information about activities for which the Township acts solely as an agent.

Management's Discussion and Analysis (MD &A)
(Required Supplemental Information)

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplemental Information)

Budgetary Information for the General Fund and Major Special Revenue Funds

Other Supplemental Information

Reporting the Township as a Whole – Government-Wide Financial Statements

One of the most important questions asked about the Township is, "As a whole, what is the Township's financial condition as a result of the year's activities?" The statement of net assets and the statement of activities, which appear first in the Township's financial statements, report information on the Township as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid

These two statements report the Township's net assets – the difference between assets and liabilities, as reported in the statement of net assets – as one way to measure the Township's financial health or financial position. Over time, increases or decreases in the Township's net assets – as reported in the statement of activities – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Township's operating results. However, the Township's goal is to provide services to our residents, not to generate profits as commercial entities do.

The statements of net assets and statement of activities report the governmental activities for the Township, which encompass all of the Township's services, including legislative, general government, public safety, public works and culture and recreation. Property taxes, special assessments, and unrestricted State shared revenue finance most of these activities.

Reporting the Township's Most Significant Funds – Fund Financial Statements

The Township's fund financial statements provide detailed information about the most significant funds – not the Township as a whole. Some funds are required to be established by State law. However, the Township establishes many other funds to help it control and manage money for particular purposes or to show that it's meeting legal responsibilities for using certain taxes, grants, and other money. The governmental funds of the Township use the following accounting approach:

Governmental funds – All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in a reconciliation.

The Township as a Whole

Recall that the statement of net assets provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net assets as of March 31, 2004:

TABLE 1:

	<u>Governmental Activities</u>
Assets	
Current and other assets	\$ 1,238,516.88
Capital assets – Net of accumulated depreciation	<u>495,305.61</u>
Total assets	1,733,822.49
Liabilities	
Current liabilities	<u>24,405.23</u>
Net Assets	
Invested in property and equipment	495,305.61
Unrestricted	<u>1,214,111.65</u>
Total net assets	<u>\$ 1,709,417.26</u>

TOWNSHIP OF MILLINGTON

Management's Discussion and Analysis

The above analysis focuses on the net assets (see Table 1). The change in net assets (see Table 2) of the Township's governmental activities is discussed below. The Township's net assets were \$1,709,417.26 at March 31, 2004. Capital assets reflects the original cost, less depreciation of the Township's capital assets. The remaining amount of net assets (\$1,214,111.65) was unrestricted.

The \$1,214,111.65 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Township as a whole are reported in the statement of activities (see Table 2), which shows the changes in net assets for fiscal year 2004. Since this is the first year the Township has prepared financial statements following GASB Statement No. 34, revenue and expense comparison to fiscal year 2003 is not available.

TABLE 2:

	<u>Governmental Activities</u>
Revenue	
Program revenue:	
Taxes and Special Assessments	\$ 450,924.08
Charges for services	27,263.53
Grants, contributions and other	123,041.75
General revenue:	
Property taxes	129,027.60
State shared revenue	236,053.00
Other	<u>13,695.34</u>
Total revenue	980,005.30
Function/Program Expenses	
Legislative	46,949.80
General Government	91,149.28
Public Safety	242,963.73
Public Works	259,626.83
Cultural and Recreation	131,075.05
Other	26,872.76
Depreciation (unallocated)	<u>11,879.61</u>
Total expenses	<u>810,517.06</u>
Increase in Net Assets	<u>\$ 169,488.24</u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$810,517.06. Certain activities were partially funded from those who benefitted from the program or by other governments and organizations that subsidized certain programs with grants and contributions. We paid for the remaining "public benefit" portion of our governmental activities with \$129,027.60 in taxes, \$236,056.00 in State shared revenue, and with our other revenues, such as interest and other.

The Township experienced an increase in net assets of \$169,488.24. Key reasons for the change in net assets were initial special assessment levy for refuse collection. The increase in net assets differs from the change in fund balance and reconciliation appears on page 14.

TOWNSHIP OF MILLINGTON

Management's Discussion and Analysis

As discussed above, the net cost shows the financial burden that was placed on the State and the Township's taxpayers by each of these functions. Since property taxes for operations and State shared revenues constitute the majority of Township operating revenue sources, the Board of Trustees must annually evaluate the needs of the Township and balance those needs with State-prescribed available unrestricted resources.

The Township's Funds

As we noted earlier, the Township uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the Township is being accountable for the resources taxpayers and others provide to it and may provide more insight into the Township's overall financial health.

As the Township completed this year, the governmental funds reported a combined fund balance of \$1,214,111.65, which is an increase of \$193,185.72 from last year. The primary reason for this increase is initial special assessment levy for refuse collection. However, in the General Fund, our principal operating fund, the balance decreased (\$77,888.96) to \$310,330.46. Overall, actual General Fund revenues were within 107 percent of budgeted amounts, and expenditures were within 69% of budgeted amounts.

The Fire Protection Fund fund balance increased \$27, 727.69.

The Police Fund fund balance increased \$44,117.64.

The Refuse Collection Fund was created during the year and increased its fund balance \$151,979.95 due to the collection of a special assessment which will fund refuse collection during subsequent months.

The Building Fund fund balance increased \$51,120.63 due to a transfer from the General Fund.

Budgetary Highlights

Over the course of the year, the Township revises its budget as it attempts to deal with changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the Township's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements. Changes to the original budgets were as follows:

General Fund -

- Budgeted expenses were increased by \$14,000.00 to cover additional expenditures for road work..

Police Fund -

- Budgeted expenses were increased by \$22,210.00 to purchase a police car.

All Budgeted Funds -

- There were no significant variances between the final budget and actual costs.

Township of Millington

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets

At March 31, 2004, the Township had \$1,200,344.36 invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. This amount represents a net increase (including additions and disposals) of \$32,319.11.

	<u>2004</u>	<u>2003</u>
Land and improvements	\$ 45,255.63	\$ 45,255.63
Buildings and improvements	490,986.26	490,986.26
Vehicles	354,955.41	332,748.71
Equipment	<u>309,144.06</u>	<u>289,031.65</u>
Total capital assets	1,200,341.36	1,168,022.25
Less accumulated depreciation	<u>705,035.75</u>	<u>649,069.16</u>
Net capital assets	<u>\$ 495,305.61</u>	<u>\$ 519,003.09</u>

This year's additions of \$32,319.11 consisted of a police car, office equipment and fire equipment. No debt was issued for these additions.

Debt

The Township has no debt.

Economic Factors and Next Year's Budgets and Rates

Our elected officials consider many factors when setting the Township's 2005 fiscal year budget. One of the most important factors affecting the budget is the State of Michigan's economy. This resulted in a \$30,000.00 decrease in State shared revenues in the year ended March 31, 2004 and additional cuts may be forthcoming in 2005.

The Tax levy rates for the FY05 are listed below:

General operating	1.4886
Fire levy	.4506
Fire levy	.3721
Police levy	<u>3.0000</u>
Total	5.3113

Contacting the Township's Financial Management

This financial report is designed to provide the Township's citizens, taxpayers, customers, and investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Township of Millington, 8553 State Street, Millington, MI 48746.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

STATEMENT OF NET ASSETS
March 31, 2004

	Primary Government	Component Units
ASSETS:		
Cash	\$ 1,098,832.74	\$ 52,308.21
Delinquent taxes receivable	64,221.07	0.00
Other receivables	10,830.54	0.00
Due from County	0.00	11,479.99
Due from State	0.00	260.34
Due from other funds	76.00	0.00
Prepaid expenses	507.99	0.00
Capital assets	824,759.60	375,581.76
Accumulated depreciation	(468,603.64)	(236,432.11)
Total Assets	1,530,624.30	203,198.19
LIABILITIES:		
Accounts payable	20,553.36	3,851.87
NET ASSETS:		
Investment in capital assets net of related debt	356,155.96	139,149.65
Unrestricted	1,153,914.98	60,196.67
Total Net Assets	\$ <u>1,510,070.94</u>	\$ <u>199,346.32</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

STATEMENT OF ACTIVITIES
Year Ended March 31, 2004

		Program Revenues			Governmental Activities
	Expenses	Taxes and Special Assessments	Charges for Services	Operating Grants/ Contributions	Net (Expenses) Revenues and Changes in Net Assets
PRIMARY GOVERNMENT:					
Legislative	\$ 46,949.80	\$ 0.00	\$ 0.00	\$ 0.00	\$ (46,949.80)
General Government	91,149.28	0.00	20,404.90	0.00	(70,744.38)
Public Safety -					
Police	131,478.86	196,198.17	0.00	1,205.03	65,924.34
Fire	106,361.92	71,325.91	1,314.60	36,248.37	2,526.96
Other	5,122.95	0.00	0.00	0.00	(5,122.95)
Public Services -					
Refuse collection	31,445.45	183,400.00	0.00	25.29	151,979.84
Other	228,181.38	0.00	0.00	0.00	(228,181.38)
Culture and Recreation -					
Other	1,062.01	0.00	0.00	0.00	(1,062.01)
Other	26,872.76	0.00	0.00	0.00	(26,872.76)
Depreciation (Unallocated)	11,879.61	0.00	0.00	0.00	(11,879.61)
Total Primary Government	\$ <u>680,504.02</u>	\$ <u>450,924.08</u>	\$ <u>21,719.50</u>	\$ <u>37,478.69</u>	(170,381.75)
COMPONENT UNITS:					
Millington Township Library	\$ 110,397.94	\$ 0.00	\$ 3,433.06	\$ 73,731.02	(33,233.86)
Arthur Latham Park	19,615.10	0.00	2,110.97	11,832.04	(5,672.09)
Total CComponent Units	\$ <u>130,013.04</u>	\$ <u>0.00</u>	\$ <u>5,544.03</u>	\$ <u>85,563.06</u>	(38,905.95)
GENERAL PURPOSE REVENUES:					
Property taxes					129,027.60
State shared revenues					236,053.00
Investment earnings					9,690.47
Other					4,004.87
Total General Purpose Revenues					<u>378,775.94</u>
Change in Net Assets					169,488.24
Net Assets - Beginning of Year					<u>1,539,929.02</u>
Net Assets - End of Year					\$ <u>1,709,417.26</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

GOVERNMENTAL FUNDS BALANCE SHEET

March 31, 2004

	GENERAL	FIRE PROTECTION	POLICE	
ASSETS:				
Cash on hand	\$ 50.00	\$ 0.00	\$ 0.00	\$
Cash in bank	295,491.75	223,345.32	188,185.60	
Delinquent taxes receivable	14,204.72	7,650.88	21,728.09	
Other receivables	0.00	10,830.54	0.00	
Prepaid expenses	507.99	0.00	0.00	
Due from other Funds	76.00	0.00	0.00	
Due from County	0.00	0.00	0.00	
Due from State	0.00	0.00	0.00	
TOTAL ASSETS	\$ <u>310,330.46</u>	\$ <u>241,826.74</u>	\$ <u>209,913.69</u>	\$
LIABILITIES:				
Accounts payable	\$ 0.00	\$ 346.00	\$ 10,000.61	\$
FUND EQUITY:				
Unreserved	<u>310,330.46</u>	<u>241,480.74</u>	<u>199,913.08</u>	
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>310,330.46</u>	\$ <u>241,826.74</u>	\$ <u>209,913.69</u>	\$

The accompanying notes are an integral part of the financial statements.

REFUSE COLLECTION		BUILDING		OTHER NONMAJOR GOVERNMENTAL FUNDS		TOTAL
0.00	\$	0.00	\$	100.00	\$	150.00
141,549.21		170,313.38		132,105.69		1,150,990.95
20,637.38		0.00		0.00		64,221.07
0.00		0.00		0.00		10,830.54
0.00		0.00		0.00		507.99
0.00		0.00		0.00		76.00
0.00		0.00		260.34		260.34
0.00		0.00		11,479.99		11,479.99
<u>162,186.59</u>	\$	<u>170,313.38</u>	\$	<u>143,946.02</u>	\$	<u>1,238,516.88</u>

10,206.75	\$	0.00	\$	3,851.87	\$	24,405.23
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<u>151,979.84</u>		<u>170,313.38</u>		<u>140,094.15</u>		<u>1,214,111.65</u>
<u>162,186.59</u>	\$	<u>170,313.38</u>	\$	<u>143,946.02</u>	\$	<u>1,238,516.88</u>

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

GOVERNMENTAL FUNDS

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET ASSETS
March 31, 2004

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 1,214,111.65

Amounts reported for governmental activities in the statement
of net assets are different because -

Capital assets used in governmental activities are not financial
resources and are not reported in the funds:

Capital assets at cost	1,200,341.36
Accumulated depreciation	<u>(705,035.75)</u>

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES \$ 1,709,417.26

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year ended March 31, 2003

	GENERAL	FIRE PROTECTION	POLICE	
REVENUES:				
Taxes	\$ 129,027.60	\$ 71,325.91	\$ 196,198.17	\$
Special Assessments	0.00	0.00	0.00	
State Grants	236,053.00	0.00	550.00	
Contributions from Local Units	0.00	35,185.55	0.00	
Charges for Services	20,404.90	1,314.60	0.00	
Fines and Forfeits	0.00	0.00	0.00	
Interest and Rentals	7,958.85	1,062.82	655.03	
Other Revenue	4,004.87	0.00	0.00	
Total Revenues	397,449.22	108,888.88	197,403.20	
EXPENDITURES:				
Legislative	46,949.80	0.00	0.00	
General Government	91,149.28	0.00	0.00	
Public Safety	5,122.95	76,006.79	131,078.86	
Public Works	228,181.38	0.00	0.00	
Cultural and Recreation	1,062.01	0.00	0.00	
Capital Outlay	0.00	5,154.40	22,206.70	
Other	26,872.76	0.00	0.00	
Total Expenditures	399,338.18	81,161.19	153,285.56	
EXCESS OF REVENUES OVER EXPENDITURES	(1,888.96)	27,727.69	44,117.64	
OTHER FINANCING SOURCES (USES):				
Transfer from other funds	0.00	0.00	0.00	
Transfer to other funds	(76,000.00)	0.00	0.00	
Total Other Financing Sources (Uses)	(76,000.00)	0.00	0.00	
NET CHANGE IN FUND BALANCES	(77,888.96)	27,727.69	44,117.64	
FUND BALANCE - APRIL 1, 2003	388,219.42	213,753.05	155,795.44	
FUND BALANCE - MARCH 31, 2004	\$ 310,330.46	\$ 241,480.74	\$ 199,913.08	\$

The accompanying notes are an integral part of the financial statements.

REFUSE COLLECTION	BUILDING	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL
0.00	\$ 0.00	\$ 0.00	\$ 396,551.68
183,400.00	0.00	0.00	183,400.00
0.00	0.00	4,408.60	241,011.60
0.00	0.00	16,964.36	52,149.91
0.00	0.00	5,544.03	27,263.53
0.00	0.00	57,467.76	57,467.76
25.29	1,160.03	5,271.59	16,133.61
0.00	0.00	2,022.34	6,027.21
183,425.29	1,160.03	91,678.68	980,005.30
0.00	0.00	0.00	46,949.80
0.00	0.00	0.00	91,149.28
0.00	0.00	0.00	212,208.60
31,445.45	0.00	0.00	259,626.83
0.00	0.00	116,631.19	117,693.20
0.00	0.00	4,958.01	32,319.11
0.00	0.00	0.00	26,872.76
31,445.45	0.00	121,589.20	786,819.58
151,979.84	1,160.03	(29,910.52)	193,185.72
0.00	50,000.00	26,000.00	76,000.00
0.00	0.00	0.00	(76,000.00)
0.00	50,000.00	26,000.00	0.00
151,979.84	51,160.03	(3,910.52)	193,185.72
0.00	119,153.35	144,004.67	1,020,925.93
151,979.84	\$ 170,313.38	\$ 140,094.15	\$ 1,214,111.65

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended March 31, 2004

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	193,185.72
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Amounts reported for governmental activities in the statement
of activities are different because -

Governmental funds report capital outlays as expenditures
in the statement of activities, these costs are allocated
over their estimated lives as depreciation:

Depreciation expense	(56,016.59)
Capital outlay	32,319.11
	<hr/>

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	\$	<u>169,488.24</u>
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The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
March 31, 2004

	Fire Damaged Structure	Current Tax Collections
ASSETS:		
Cash in bank	\$ <u>76.00</u>	\$ <u>0.00</u>
LIABILITIES:		
Due to other funds	\$ <u>76.00</u>	\$ <u>0.00</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

STATEMENT OF NET ASSETS - COMPONENT UNITS
March 31, 2004

	Millington Township Library	Arthur Latham Park	Total Component Units
ASSETS:			
Cash	\$ 43,248.84	\$ 9,059.37	\$ 52,308.21
Delinquent taxes receivable	0.00	0.00	0.00
Other receivables	0.00	0.00	0.00
Due from County	11,479.99	0.00	11,479.99
Due from State	260.34	0.00	260.34
Due from other funds	0.00	0.00	0.00
Prepaid expenses	0.00	0.00	0.00
Capital assets	270,217.59	105,364.17	375,581.76
Accumulated depreciation	(177,533.85)	(58,898.26)	(236,432.11)
Total Assets	147,672.91	55,525.28	203,198.19
LIABILITIES:			
Accounts payable	3,851.87	0.00	3,851.87
NET ASSETS:			
Investment in capital assets net of related debt	92,683.74	46,465.91	139,149.65
Unrestricted	51,137.30	9,059.37	60,196.67
Total Net Assets	\$ <u>143,821.04</u>	\$ <u>55,525.28</u>	\$ <u>199,346.32</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

STATEMENT OF ACTIVITIES - COMPONENT UNITS
Year Ended March 31, 2004

		Program Revenues				Governmental Activities
	Expenses	Taxes and Special Assessments	Charges for Services	Operating Grants/ Contributions	Net (Expenses) Revenues and Changes in Net Assets	
COMPONENT UNITS:						
Millington Township Library	\$ 110,397.94	\$ 0.00	\$ 3,433.06	\$ 73,731.02	\$ (33,233.86)	
Arthur Latham Park	19,615.10	0.00	2,110.97	11,832.04	(5,672.09)	
Total Component Units	\$ <u>130,013.04</u>	\$ <u>0.00</u>	\$ <u>5,544.03</u>	\$ <u>85,563.06</u>	(38,905.95)	
GENERAL PURPOSE REVENUES:						
None					0.00	
Change in Net Assets					(38,905.95)	
Net Assets - Beginning of Year					238,252.27	
Net Assets - End of Year					\$ <u>199,346.32</u>	

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Township of Millington is located in Tuscola County and operated under an elected Board of Trustees (5 members) and provides services to its residents in many areas. The financial statements of the Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. REPORTING ENTITY:

In evaluating how to define the Township for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB No. 14. The basic - but not the only - criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of the ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Township is able to exercise oversight responsibilities. Arthur Lathum Park and Millington Township Library are included within the reporting entity. Also as detailed in Note 7, the Township participates jointly in the operation of its Fire Department.

Entity-wide and Fund Financial Statements

The entity-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the Township's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identified with a specific function. Program revenue includes (1) taxes and special assessments restricted to support the functions for which they were approved by the voters, (2) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges by a given function and (3) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the entity-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Entity-wide Statements - The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As a general rule, the effect of interfund activity has been eliminated from the entity-wide financial statements.

Amounts reported as program revenue include (1) special voted tax levies and special assessments, (2) charges to customers or applicants for goods, services, or privileges provided; (3) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes taxes and unrestricted State aid.

Fund-based Statements - Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within approximately 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fiduciary Fund statements are also reported using the economic resources measurement focus and the modified accrual basis of accounting.

The Township reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Fire Protection Fund - Established by the Township to account for proceeds of a voted millage to provide fire protection.

Police Fund - Established by the Township to account for a voted millage to provide police protection.

Refuse Collection Fund - Established by the Township to account for proceeds of a voted special assessment to provide refuse collection service.

Building Fund - Established by the Township to accumulate funds for building acquisition and renovation.

Assets, Liabilities, and Net Assets or Equity

Deposits - Cash and cash equivalents include cash on hand and demand deposits.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds". Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds".

Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1, of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the County tax rolls.

Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both entity-wide and fund financial statements.

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Capital Assets - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the entity-wide financial statements. Capital assets are defined by the Township as assets with an individual cost of more than \$1,000 and any assets susceptible to theft. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized.

Buildings, equipment, land improvements and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-40 years
Land improvements	15-20 years
Vehicles	5-10 years
Furniture and other equipment	3-10 years

Compensated Absences - Employees are not allowed to accumulate vacation and sick pay and therefore, no amount as for March 31, 2004 has been recorded.

Long term Obligations - The Township has no long-term obligations at March 31, 2004.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data/Reclassifications - Comparative data is not included in the Township's financial statements.

Accounting Change - Effective April 1, 2003, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the Township's financial statements as a result of GASB No. 34 are as follows:

A Management's Discussion and Analysis (MD&A) section providing analysis of the Township's overall financial position and results of operations has been included.

Entity-wide financial statements (statement of net assets and statement of activities) prepared using full accrual accounting for all of the Township's activities have been provided.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and State law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the Township to have its budget in place by April 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits entities to amend their budgets during the year. There were no significant amendments during the year.

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued):

Excess of Expenditures Over Appropriations in Budgeted Funds - The Township did not have significant expenditure budget variances.

The Township created a new fund, The Refuse Collection Fund, but did not pass a budget for it.

Fund Deficits - The Township had no accumulated fund balance deficits.

NOTE 3. CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS :

Deposits of the Township are carried at cost and maintained at National City Bank of Michigan/Illinois and Mayville State Bank, federally insured banks.

State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the Township is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The Township's deposits are in accordance with statutory authority.

At year end, the Township's deposits were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total Primary Government	Component Units
Cash	<u>\$ 1,098,832.74</u>	<u>\$ 76.00</u>	<u>\$ 1,098,908.74</u>	<u>\$ 52,308.21</u>

The Government Accounting Standards Board Statement No. 3 requires the amount of total bank balances to be classified in one of three categories of credit risk. These categories are:

- (1) Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- (2) Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name.
- (3) Uncollateralized (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent by not in the entity's name). Bank deposits including certificates of deposit:

	Primary Government	Component Units
Category 1.	\$ 100,000.00	\$ 52,308.21
Category 2.	-	-
Category 3.	998,908.74	-
Total Bank Balances	<u>\$ 1,098,908.74</u>	<u>\$ 52,308.21</u>
Carrying Amount	<u>\$ 1,098,908.74</u>	<u>\$ 52,308.21</u>

TOWNSHIP OF MILLINGTON
TUSCOLA COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 4 CAPITAL ASSETS:

Capital asset activity of the School District's governmental activities was as follows:

	Balance <u>April 1, 2003</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>March 31, 2004</u>
Land and improvements	\$ 45,255.63	\$ -	\$ -	\$ 45,255.63
Buildings and improvements	490,986.26	-	-	490,986.26
Vehicles	332,748.71	22,206.70	-	354,955.41
Equipment	<u>299,031.65</u>	<u>10,112.41</u>	-	<u>309,144.06</u>
Total Capital Assets	1,168,022.25	32,319.11	-	1,200,341.36
Accumulated Depreciation				
Land and improvements	7,602.92	-	-	7,602.92
Buildings and improvements	229,164.05	9,515.94	-	235,679.99
Vehicles	185,241.53	26,091.11	-	211,332.64
Equipment	<u>227,010.66</u>	<u>20,403.54</u>	-	<u>247,420.20</u>
Total Accumulated Depreciation	<u>649,019.16</u>	<u>56,016.59</u>	-	<u>705,035.75</u>
Net Capital Assets	<u>\$ 519,003.09</u>	<u>\$ (23,697.44)</u>	<u>\$ -</u>	<u>\$ 495,325.61</u>

Depreciation expense was charged to activities of the Township as follows:

Governmental activities: \$ 56,016.59

NOTE 5. RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, errors, omissions, employee injuries, medical and workman's compensation benefits.

The Township has purchased commercial insurance for medical benefit claims, general liability, errors and omissions, physical damage for equipment, buildings and contents and workers compensation. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past 3 years. There was no reduction in coverage obtained through commercial insurance during the past year.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund	<u>\$ 76.00</u>	Fire-Damaged Structure Fund	<u>\$ 76.00</u>

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued):

Operating transfers during the year:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 76,000.00
Arthur Lathum Park Fund	7,000.00	-
Millington Township Library Fund	9,000.00	-
Machinery & Equipment Fund	10,000.00	-
Building Fund	50,000.00	-
	<u>\$ 76,000.00</u>	<u>\$ 76,000.00</u>

Transfers are used to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7. EXPENSE SHARING AGREEMENT:

The Township has an agreement with the Township of Arbela to share the cost of operating the fire department on a 60/40 basis. Millington Township's portion is 60% with Arbela Township assuming the balance.

NOTE 8. PENSION PLAN:

The Township has in effect a contributory annuity pension plan covering substantially all Township employees. Under the plan, the Township contributes amounts based on the employees' annual earnings for the purchase of annuities. Employees may contribute additional amounts of their compensation on a voluntary basis. The Township's retirement contributions amounted to \$5,351.75 for the year ended March 31, 2004.

REQUIRED SUPPLEMENTAL INFORMATION

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

BUDGET COMPARISON SCHEDULE - GENERAL FUND
Year Ended March 31, 2004

	Original Budget	Final Amended Budget	Actual
REVENUES:			
Taxes	\$ 125,030.00	\$ 125,030.00	\$ 129,027.60
State Grants	240,000.00	240,000.00	236,053.00
Charges for Services	0.00	0.00	20,404.90
Interest and Rentals	5,400.00	5,400.00	7,958.85
Other Revenue	0.00	0.00	4,004.87
Total Revenues	370,430.00	370,430.00	397,449.22
EXPENDITURES:			
Legislative	80,033.00	80,033.00	46,949.80
General Government	160,158.00	160,158.00	91,149.28
Public Safety	12,981.00	12,981.00	5,122.95
Public Works	260,000.00	274,000.00	228,181.38
Cultural and Recreation	2,600.00	2,600.00	1,062.01
Other	46,200.00	46,200.00	26,872.76
Total Expenditures	561,972.00	575,972.00	399,338.18
OTHER FINANCING SOURCES (USES):			
Transfer from other funds	0.00	0.00	0.00
Transfer to other funds	146,000.00	146,000.00	76,000.00
Net Other Financing Sources (Uses)	(146,000.00)	(146,000.00)	(76,000.00)
NET CHANGE IN FUND BALANCE	(337,542.00)	(351,542.00)	(77,888.96)
FUND BALANCE - BEGINNING OF YEAR	414,125.15	414,125.15	388,219.42
FUND BALANCE - END OF YEAR	\$ 76,583.15	\$ 62,583.15	\$ 310,330.46

TOWNSHIP OF MILLINGTON

Tuscola County, MichiganBUDGET COMPARISON SCHEDULE - FIRE PROTECTION FUND
Year Ended March 31, 2004

	Original Budget	Final Amended Budget	Actual
REVENUES:			
Taxes	\$ 69,095.00	\$ 69,095.00	\$ 71,325.91
Contributions from Local Units	0.00	0.00	35,185.55
Charges for Services	0.00	0.00	1,314.60
Interest and Rentals	0.00	0.00	1,062.82
Total Revenues	69,095.00	69,095.00	108,888.88
EXPENDITURES:			
Public Safety	129,261.00	129,261.00	76,006.79
Capital Outlay	9,000.00	9,000.00	5,154.40
Total Expenditures	138,261.00	138,261.00	81,161.19
NET CHANGE IN FUND BALANCE	(69,166.00)	(69,166.00)	27,727.69
FUND BALANCE - BEGINNING OF YEAR	213,753.05	213,753.05	213,753.05
FUND BALANCE - END OF YEAR	\$ <u>144,587.05</u>	\$ <u>144,587.05</u>	\$ <u>241,480.74</u>

TOWNSHIP OF MILLINGTON

Tuscola County, Michigan

BUDGET COMPARISON SCHEDULE - POLICE FUND
Year Ended March 31, 2004

	Original Budget	Final Amended Budget	Actual
REVENUES:			
Taxes	\$ 155,803.00	\$ 155,803.00	\$ 196,198.17
State Grants	0.00	0.00	550.00
Interest and Rentals	0.00	0.00	655.03
Total Revenues	155,803.00	155,803.00	197,403.20
EXPENDITURES:			
Public Safety	155,490.00	155,490.00	131,078.86
Other	0.00	22,210.00	22,206.70
Total Expenditures	155,490.00	177,700.00	153,285.56
NET CHANGE IN FUND BALANCE	313.00	(21,897.00)	44,117.64
FUND BALANCE - BEGINNING OF YEAR	155,795.44	155,795.44	155,795.44
FUND BALANCE - END OF YEAR	\$ 156,108.44	\$ 133,898.44	\$ 199,913.08

TOWNSHIP OF MILLINGTON

Tuscola County, MichiganBUDGET COMPARISON SCHEDULE - REFUSE COLLECTION FUND
Year Ended March 31, 2004

	Original Budget	Final Amended Budget	Actual
REVENUES:			
Special Assessments	\$ 0.00	\$ 0.00	\$ 183,400.00
Interest and Rentals	0.00	0.00	25.29
Total Revenues	0.00	0.00	183,425.29
EXPENDITURES:			
Public Works	0.00	0.00	31,445.45
NET CHANGE IN FUND BALANCE	0.00	0.00	151,979.84
FUND BALANCE - BEGINNING OF YEAR	0.00	0.00	0.00
FUND BALANCE - END OF YEAR	\$ 0.00	\$ 0.00	\$ 151,979.84

OTHER SUPPLEMENTAL INFORMATION

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
March 31, 2004

ASSETS	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND	TOTAL
	Arthur Lathum Park	Millington Township Library	Total Special Revenue Funds	Machinery & Equipment	
Cash on hand	\$ 0.00	\$ 100.00	\$ 100.00	\$ 0.00	\$ 100.00
Cash in bank	9,059.37	43,148.84	52,208.21	79,897.48	132,105.69
Due from State	0.00	260.34	260.34	0.00	260.34
Due from County	0.00	11,479.99	11,479.99	0.00	11,479.99
	<u>\$ 9,059.37</u>	<u>\$ 54,989.17</u>	<u>\$ 64,048.54</u>	<u>\$ 79,897.48</u>	<u>\$ 143,946.02</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
Accounts payable	\$ 0.00	\$ 3,851.87	\$ 3,851.87	\$ 0.00	\$ 3,851.87
Fund balance	9,059.37	51,137.30	60,196.67	79,897.48	140,094.15
	<u>\$ 9,059.37</u>	<u>\$ 54,989.17</u>	<u>\$ 64,048.54</u>	<u>\$ 79,897.48</u>	<u>\$ 143,946.02</u>

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended March 31, 2003

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUND
	Arthur Latham Park	Millington Township Library	Total Special Revenue Funds	Machinery & Equipment
REVENUES:				
State Grants	\$ 0.00	\$ 4,408.60	\$ 4,408.60	\$ 0.00
Contributions from Local Units	8,000.00	8,964.36	16,964.36	0.00
Charges for Services	2,110.97	3,433.06	5,544.03	0.00
Fines and Forfeits	0.00	57,467.76	57,467.76	0.00
Interest and Rentals	2,397.04	2,302.96	4,700.00	571.59
Other Revenues	1,435.00	587.34	2,022.34	0.00
Total Revenues	13,943.01	77,164.08	91,107.09	571.59
EXPENDITURES:				
Cultural and Recreation	16,553.59	100,077.60	116,631.19	0.00
Capital Outlay	0.00	4,958.01	4,958.01	0.00
Total Expenditures	16,553.59	105,035.61	121,589.20	0.00
EXCESS OF REVENUES OVER EXPENDITURES	(2,610.58)	(27,871.53)	(30,482.11)	571.59
OTHER FINANCING SOURCES:				
Transfers from other funds	7,000.00	9,000.00	16,000.00	10,000.00
NET CHANGES IN FUND BALANCE	4,389.42	(18,871.53)	(14,482.11)	10,571.59
FUND BALANCE - APRIL 1, 2003	4,669.95	70,008.83	74,678.78	69,325.89
FUND BALANCE - MARCH 31, 2004	\$ 9,059.37	\$ 51,137.30	\$ 60,196.67	\$ 79,897.48

TOTAL

\$ 4,408.60
16,964.36
5,544.03
57,467.76
5,271.59
2,022.34

91,678.68

116,631.19
4,958.01

121,589.20

(29,910.52)

26,000.00

(3,910.52)

144,004.67

\$ 140,094.15

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year ended March 31, 2004

REVENUES:

Taxes -

Current tax levy \$ 129,027.60

State Grants -

Sales tax 236,053.00

Charges for Services -

Cemetery lot use 10,700.00

Cemetery lot sales 9,155.00

Other 314.90

Board of Appeals/ Planning Comm. fees 235.00

Total Charges for Services 20,404.90

Interest and Rentals -

Interest earned 1,958.85

Rents 6,000.00

Total Interest and Rentals 7,958.85

Other Revenue - Miscellaneous 4,004.87

Total Revenues 397,449.22

EXPENDITURES 399,338.18

EXCESS OF REVENUES OVER EXPENDITURES (1,888.96)

OTHER FINANCING SOURCES (USES):

Transfer to Arthur Lathum Park Fund (7,000.00)

Transfer to Millington Township Library Fund (9,000.00)

Transfer to Capital Projects Building Fund (50,000.00)

Transfer to Capital Projects Equipment Fund (10,000.00)

Net Other Financing (Uses) (76,000.00)

NET CHANGE IN FUND BALANCE (77,888.96)

FUND BALANCE - APRIL 1, 2003 388,219.42

FUND BALANCE - MARCH 31, 2004 \$ 310,330.46

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GENERAL FUND
DETAIL OF EXPENDITURES
Year ended March 31, 2004

EXPENDITURES:

LEGISLATIVE:

Township Board -

Trustees' salaries	\$ 4,721.64
Office assistant	27,415.12
Part - Time Salaries	1,763.21
Legal	4,333.47
Membership dues	1,961.77
Printing and publishing	638.08
Retirement administration fees	469.94
Seminars and conventions	1,540.20
Supplies and other costs	2,278.54
Miscellaneous	1,827.83

Total Legislative 46,949.80

GENERAL GOVERNMENT:

Supervisor -

Salary	7,276.00
Supplies and other costs	415.13

Total Supervisor 7,691.13

Elections -

Wages	1,277.23
Supplies and other costs	544.14

Total Elections 1,821.37

Assessor -

Contracted services	16,102.47
Supplies and other costs	2,458.33

Total Assessor 18,560.80

Clerk -

Salary	6,293.74
Deputy Clerk	824.00
Supplies and other costs	903.35

Total Clerk 8,021.09

Board of Review -

Salaries	721.00
Supplies and other costs	13.32

Total Board of Review 734.32

TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GENERAL FUND
DETAIL OF EXPENDITURES (Continued)
Year ended March 31, 2004

EXPENDITURES (CONT.):

GENERAL GOVERNMENT (CONT.):

Treasurer -

Salary	\$ 6,330.00
Deputy Treasurer	824.00
Supplies and other costs	<u>4,809.10</u>

Total Treasurer	11,963.10
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Cemetery -

Wages	19,630.31
Utilities	854.45
Repairs and maintenance	1,718.92
Supplies and other costs	<u>2,193.58</u>

Total Cemetery	24,397.26
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Buildings & Grounds -

Salaries	659.40
Utilities	4,396.00
Telephone	1,683.60
Repairs and maintenance	152.00
Minor equipment	4,936.94
Rental house	1,573.35
Supplies and other costs	<u>4,558.92</u>

Total Township Hall	<u>17,960.21</u>
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Total General Government	91,149.28
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PUBLIC SAFETY:

Planning Commission -

Salaries	1,518.60
Supplies and other costs	<u>75.00</u>

Total Planning Commission	1,593.60
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Zoning Board of Appeals -

Salaries	78.30
Supplies and other costs	<u>0.00</u>

Total Zoning Board of Appeals	78.30
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TOWNSHIP OF MILLINGTON
Tuscola County, Michigan

GENERAL FUND
DETAIL OF EXPENDITURES (Continued)
Year ended March 31, 2004

EXPENDITURES (CONT.):

Zoning Administration -

Salaries

\$ 3,441.80

Supplies and other costs

9.25

Total Zoning Administrator

3,451.05

Total Public Safety

5,122.95

PUBLIC WORKS:

Highway, Streets and Bridges -

Routine maintenance

226,426.48

Drain-at-large

1,754.90

Total Public Works

228,181.38

CULTURAL AND RECREATIONAL:

Library - Repairs

612.01

Park - Trustees' salaries

450.00

Total Cultural and Recreational

1,062.01

OTHER:

Insurance and bonds

11,331.70

Audit

2,700.00

Asset charges

1,159.69

Payroll taxes

6,313.32

Unemployment

16.30

Retirement

5,351.75

Total Other

26,872.76

TOTAL EXPENDITURES

\$ 399,338.18

Quast, Janke and Company, P.C.

Certified Public Accountants

1010 N. JOHNSON STREET
BAY CITY, MICHIGAN 48708

Phone: (517) 892-4549

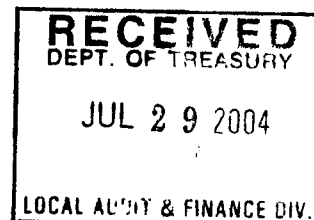
Fax: (517) 892-4030

*Timothy J. Quast, C.P.A.
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Ned E. Kleinke, C.P.A.
David G. Gwizdala, C.P.A.*

*Members:
American Institute of C.P.A.'s
Michigan Association of C.P.A.'s*

May 6, 2004

Millington Township
8553 State Street
Millington, MI 48746



Ladies and Gentlemen:

As a regular part of our audit of the financial statements of the Township of Millington for the year ended March 31, 2004, we have reviewed the Township's accounting procedures and internal controls surrounding the recording of accounting transactions. This letter presents comments and recommendations to strengthen these controls and increase administrative efficiency. These recommendations do not, of course, include all possible recommendations, but only those areas of potential improvement which came to our attention during our audit of the financial statements as of March 31, 2004.

Nothing came to our attention that would indicate any improper or illegal actions have been committed by Township officials.

RECOMMENDATIONS

1. In reviewing your budgets for the year ended March 31, 2004, we noticed that the Township created a new fund, the Refuse Collection Fund, but failed to adopt a budget or appropriate funds for the operation of this fund.

In the future, if the Township creates any new special revenue funds, it must also adopt a budget and appropriate funds for the budget.

We wish to express our appreciation for the assistance extended to our staff by the officials and employees of the Township. If we can be of further assistance in these or any other matters, please call upon us.

Sincerely,

QUAST, JANKE AND COMPANY, C.P.A.'S, P.C.

 CFA
Mark G. Janke, C.P.A.